BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service.	Rulemaking 95-04-043 (Filed April 26, 1995)
Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service.	Investigation 95-04-044 (Filed April 26, 1995)

RESPONSE OF SAGE TELECOM, INC. (U-6585-C) TO SBC CALIFORNIA'S PROPOSED BATCH "HOT CUT" PROCESS

At the request of Commission Staff at the collaborative workshop held on Monday, November 17, 2003, Sage Telecom, Inc. ("Sage") respectfully submits the following proposal and comments on SBC's proposed batch "hot cut" process.

I. Summary

Sage agrees with all the non-ILEC parties attending the workshop that SBC's issues list, which was created as a product from other states' batch "hot cut" proceedings, be adopted for the California process, so long as it incorporates the changes suggested in this filing. SBC's batch cut proposal needs augmentation to allow the parties to develop a process that actually works for mass-market customers and California carriers. With this general observation, Sage respectfully recommends the following changes and additions to SBC's proposed process:

Requested ***changes*** to SBC's proposed batch cut process:

1. Strike the "3 or less" line restriction.

2. Include line splitting and line sharing in the process.

3. Include all loop types that SBC has provided as part of the unbundled network element platform ("UNE-P"). These include loops provided over integrated digital loop carrier ("IDLC") and next generation digital loop carrier ("NGDLC"), as well as over universal digital loop carrier ("UDLC") equipment, hybrid loops, and loops served by remote switching modules.

4. Include the use of the order flow-through-verification and due-date-reservation tools in all of SBC's proposed options, not just for its proposed batch and bulk project proposals.

5. Provide more detail regarding the due-date reservation-tool and regarding the timeline for its batch process.

6. Undertake batch cuts at times convenient to the end-user customers whose lines are being converted, rather than strictly during SBC's traditional business hours.

7. Unify the batch cut process. Dividing it into three separate processes could cause unnecessary complications. Sage requests at least one process that provides batch cuts at intervals, standards, and rates that are at parity with SBC's UNE-P and retail migration processes. SBC's proposed 13-business-day interval for its batch cut process is unacceptable to Sage.

8. Scale SBC's process so that it is able to handle the projected volumes of hot cut requests.

9. Allow CLECS to use a single LSR for converting multiple lines on a single account.

Requested ***additions*** to SBC's proposed batch cut process:

1. Scale and adapt all hot cut processes to meet the needs and requirements of varying facilities-based competitive local exchange carriers ("CLECs"), alternative wholesale providers, and intermodal carriers.
2. Set provisioning intervals and standards at parity with existing UNE-P and retail processes. Document such standards and intervals within relevant steps in the process. Enforce those standards and intervals through the appropriate performance measurement and remedy plan.

3. Establish parity OSS for the batch cut processes.

4. Include in the provisioning process a pre-engineering 'check' for all loops, particularly those loops served by IDLC.

5. Develop clear and accurate loop and other OSS data that can be updated on a ‘real-time’ basis.

6. Set batch cut rates at levels that provide CLECs with a meaningful opportunity to compete, giving equal weight to the incremental costs that CLECs incur. Sage respectfully proposes consideration of a rate applicable to all end users, similar to the local number portability ("LNP") charge.

7. Develop details on how to rectify problems.

8. Place a priority on avoiding, preventing, and remedying customer outages.

9. Include the provisioning of enhanced extended links ("EELs"), within statutorily required periods, to allow access to a loop with switching provided from a distant central office.

10. Include CLEC-to-CLEC migrations in the process.

11. Give special consideration and attention to all database issues.

12. Ensure no degradation in the capabilities of the loop after migration, including voice quality, data transmission speeds, and video quality.

13. Clarify how various parties' orders will be prioritized.

14. Document process flow changes anticipated to result from the system enhancements that SBC indicated would occur by December 13, 2003.

15. Further define remedial steps available to CLECs when orders either reject or result in jeopardy notices.

16. Clarify what occurrences would require an order to receive manual intervention.

II. Comments

SBC arrived at the November 17 hot cut workshop with a very sketchy outline of its proposed batch cut process. The attached document, which SBC distributed to,

among others, parties to a Texas PUC hot cut collaborative, provides some detail on SBC's proposal. Sage suggests that the Commission require SBC to flesh out its proposal in greater detail to develop a process that actually works for mass market customers and carriers in California. CLECs, in turn, must be able to comment on the additional details of SBC's proposals as they emerge. With these general observations, Sage proposes the following revisions and additions to SBC's proposal:

A. <u>Requested changes to SBC's proposed batch cut process</u>:

1. Strike the "3 or less" line restriction.

SBC's proposal limits the batch cut process to three or fewer lines per customer. Sage respectfully urges the Commission to strike this restriction. The Commission, not SBC, is supposed to set the appropriate threshold for distinguishing mass market from enterprise customers.[1] If a cutoff is needed in order for the process to be designed, Sage suggests limiting the batch cut process to 23 lines or fewer, consistent with the distinction between DS-0 and DS-1 loops.

[1] *See* 47 C.F.R. 51.319(d)(2)(iii)(B)(4). Notably, SBC agreed in Texas that it would abide with each state commission's ruling on the appropriate DS-0/DS-1 cutover point.

2. Include line splitting and line sharing in the process.

SBC excludes "loop service via line splitting [and] line sharing" from the batch cut process. Sage proposes including those order types in the process. As a legal matter, Section 251(c)(3) of the Telecommunications Act of 1996 ("the Act") requires SBC to provide "nondiscriminatory access to network elements on an unbundled basis." SBC undoubtedly provisions digital subscriber line ("DSL") to its retail customers on an expeditious basis, particularly since there is no need to establish a new loop and switch connection for its retail DSL customers. Therefore, SBC must ensure that it provides line splitting and line sharing to CLECs on a non-discriminatory basis. Although batch hot cuts inherently fail to ensure entirely nondiscriminatory access, they very likely could provide better access than the existing line-by-line process. Accordingly, SBC should include line splitting and line sharing in the batch cut process.

Furthermore, as an operational matter, customers increasingly desire a combined voice and data product. If CLECs are required to self-provision switches and use unbundled loops ("UNE-L"), they will also have to be able to provide a DSL product with UNE-L in order to stay competitive. A batch cut process for line splitting and line sharing is a necessary (although not necessarily sufficient) step for CLECs to be able to provide a combined voice and data product to California customers through UNE-L.

SBC may state that it is addressing line splitting issues in a 13-state collaborative. It is Sage's understanding from parties that attended the last meeting of that collaborative that SBC proposed to address line-splitting issues in the various PUC batch cut proceedings, and not in the collaborative. In any event, Sage respectfully

urges the Commission to retain oversight over any line-splitting issues that are addressed in any SBC-sponsored collaborative.

SBC may also argue that a line-splitting migration only involves activities by the CLEC and data LEC. This argument is not accurate when the CLEC and the data LEC have separate collocation arrangements, which is generally the case in today's market. Specifically, the CLEC needs SBC to disconnect the cross-connect between the data LEC's collocation and SBC's main distribution frame and establish a new cross-connect between the data LEC's collocation and the CLEC's collocation. This disconnection and new connection needs to occur in coordination with the voice hot cut. Further, SBC needs to facilitate cabling between the CLEC and the data LEC's collocations, particularly if SBC insists on the installation of conduit for cage-to cage cross-connects. Otherwise, the end user will suffer an outage in their DSL service as a result of the migration from UNE-P to UNE-L.

3. The "parity" process must include all loop types that SBC historically used for UNE-P. This includes hybrid loops, loops served by remote switching modules, and loops served by IDLC, UDLC, and NGDLC.

SBC states that the defined batch process will include "loops currently provisioned over IDLC." SBC does not mention IDLC for the daily or "project" hot cut processes. SBC's proposal entirely omits mention of the unique issues presented by the conversion of loops served by remote switching modules, hybrid loops, and loops served by "next generation" DLC ("NGDLC") equipment. Unless SBC modifies its proposal to address these different loop types, customers that CLECs have served with the loop types not mentioned in SBC's proposal will receive discriminatorily poorer service than customers served using loop types currently included in SBC's proposal.

To ensure nondiscriminatory access to loops, as the Act requires, SBC must broaden its proposal to address all loop types.

4. Include use of the order flow-through-verification and due-date-reservation tools in all of SBC's proposed options, not just for its proposed batch and bulk project proposals.

SBC proposes that the order flow-through-verification tool will apply to the defined batch and bulk project processes, but is silent on whether it applies to the daily hot cut process. Similarly, SBC proposes that the due-date-reservation tool only apply to the defined batch process. The order flow-through-verification and due-date-reservation tools that SBC has proposed are necessary, but not sufficient, tools for CLECs. Accordingly, the tools should be available for any process that SBC proposes to provide parity with UNE-P processes. (As Sage explains below, none of SBC's current proposals provides CLECs with such parity.) At the very least, the two tools should apply to all three existing options.

5. Provide more detail regarding the due-date reservation-tool and regarding the timeline for its batch process.

SBC's proposal includes several undefined, but potentially important, terms in its discussion of the due-date-reservation tool and the timeline for the defined batch. For example, the due-date-reservation tool is contingent on "Due Date Interval Guide Identifying criteria." CLECs will need a full explanation of this ambiguous statement. Furthermore, SBC proposes that use of both tools are contingent on "clean orders." Because of hard experience with SBC's OSS, CLECs will need complete detail on what SBC considers to be "clean orders." Otherwise, SBC could reject orders without clear justifications, resulting in delays in customer orders.

6. Undertake batch cuts at times convenient to the end-user customers whose lines are being converted, rather than strictly during SBC's traditional business hours.

The CLECs' customers may require a cutover during evening hours to avoid an outage during the day. All of SBC's hot cut processes should reflect this market reality and customer need.

7. Unify the batch cut process. Dividing it into three separate processes could cause unnecessary complications.

SBC proposes three types of hot cuts: daily, bulk and defined batch. CLECs must be able to use at least one of these processes to migrate their customers to UNE-L at intervals that are at parity with UNE-P intervals. SBC's current proposal does not appear to achieve that goal. Daily batch cuts arguably allow CLECs to match the UNE-P intervals – although that depends on the meaning of the phrase "Normal Due Date Intervals" – but daily batch cuts are limited to 50 lines per wire center per day and must occur during normal business hours. A CLEC may have more than 50 lines in a popular wire center that it needs to migrate per day. If this is the case, the CLEC cannot use the daily hot cut process as SBC has proposed it.

The defined batch cut process requires 13 days of scheduling notice, which far exceeds the provisioning intervals for UNE-P. Also, the defined batch cut process is limited to 100 or fewer lines, which poses similar volume problems as the daily batch cut process. Therefore, the defined batch cut process does not provide parity with the existing UNE-P process.

The bulk project process relies on "negotiated due dates." Unless SBC will agree now that the negotiated due dates will be as fast or faster than UNE-P intervals, the bulk

project process will not provide parity with the existing UNE-P process. Indeed, smaller carriers will experience discrimination if they cannot negotiate favorable due dates.

By dividing the batch cut process into three separate processes, SBC unnecessarily complicates the process. SBC forces CLECs to choose between migrating a small percentage of their customers on a timely basis or migrating all of their customers with unacceptable delays. Under either choice, customers are unhappy, resulting in lost customers and revenue for the CLECs. At the end of the day, CLECs need at least one process that will allow them to migrate their customers to UNE-L at intervals and standards at parity with UNE-P and retail migrations and at rates that are also at parity with UNE-P and retail migrations.

8. Scale SBC's process so that it is able to handle the projected volumes of hot cut requests.

Sage is concerned that the manual nature of SBC's current process will not allow SBC to accommodate the high volumes generated by churn and migration of customers to UNE-L.

9. **Allow CLECS to use a single LSR for converting multiple lines on a single account.**

Sage is concerned that, if this is not clearly identified in the process, the volume and 'stress-test' points for the integrated systems, OSS and potential fallout will not be clearly represented to industry. If a CLEC were required to issue one LSR per telephone number, not only would it differ from the 271 OSS process, but it could also greatly reduce the ease of conversion and result in a negative end-user experience. SBC has offered no reason why it must have orders on a single-number basis.

B. <u>Requested additions to SBC's proposed batch cut process</u>:

1. **Scale and adapt all hot cut processes to meet the needs and requirements of varying facilities-based competitive local exchange carriers ("CLECs"), alternative wholesale providers, and intermodal carriers.**

Any batch cut process must be scalable and adaptable to the needs and requirements of various carriers. Indeed, many smaller UNE-P CLECs would have to purchase and deploy facilities, if no impairment is found in a market area. Therefore, the batch cut process should allow these CLECs sufficient time to deploy the facilities, as appropriate.

2. **Set provisioning intervals and standards at parity with existing UNE-P and retail processes. Document such standards and intervals within relevant steps in the process. Enforce those standards and intervals through the appropriate performance measurement and remedy plan.**

CLECs are impaired if, among other issues, they cannot provision UNE-L at parity with the provisioning intervals in the existing UNE-P process. Therefore, if CLECs are required to migrate to UNE-L, they must be able to migrate their customers to UNE-L at intervals that are at least at parity with UNE-P intervals, which are the

provisioning intervals SBC provides for itself. These intervals, and other associated standards, need to be monitored and enforced through the appropriate performance measurement and remedy plan.[2]

3. Establish parity OSS for the batch cut processes.

SBC states that it is "investigating" a pre-order tool to validate when loops are served through IDLC, "assess[ing]" an order flow-through-verification tool, and establishing a due-date-reservation tool. SBC must provide reasonable and nondiscriminatory access to OSS for all CLECs required to migrate to UNE-L. This will require an analysis of each step of SBC's proposed batch cut process to ensure that OSS is available, at parity with UNE-P and retail, for CLECs to participate in and validate the process. Examples include ongoing monitoring of customer-initiated trouble-reports related to hot-cut activities, such as database tests (confirmation of calling scopes), OSS tests (for accuracy and timeliness of order submission and completion), network reliability (including redundancy), quality tests (for quality of the provisioned line), and general maintenance issues. SBC will also need to prove, through performance data at mass-market volumes, that its UNE-L OSS can accommodate the initial bulk demand and subsequent churn within acceptable performance standards.

4. Include in the provisioning process a pre-engineering 'check' for all loops, particularly those loops served by IDLC.

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[2] *See, e.g., In the Matter of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket No. 01-338, *Implementation of Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, *Deployment of Wireline Service Offering Advanced Telecommunications Capacity*, CC Docket No. 98-147 (FCC 03-06), para. 489, rel. August 21, 2003 ("*Triennial Review Order*").

If SBC insists on migrating customers that are currently served by IDLC, UDLC, or NGDLC loops to copper or UDLC loops, that process will require significant preparation. Under the Act's nondiscrimination standards, SBC must perform the preparatory work and the actual migration at intervals that are at parity with UNE-P and retail provisioning intervals. Further, SBC must provide a loop that performs at parity with the loop that the customer enjoyed while receiving retail service from SBC. To accomplish this, SBC should establish engineering standards as part of the batch cut process for these types of loops. To ensure that the loop provides an equivalent quality of service for dial-up modem traffic at the nominal rate of 56Kb/s, a *de facto* feature of the IDLC loop, a handoff must be accomplished in the central office without reverting to an analog interface. To enable such digital loop-interconnection facility to support all the key functions associated with the switch, either the ILEC GR303 protocol must be unbundled and included in provisioning of the loop, and a partition of digital channels from the IDLC handed off to the CLEC in the central office or at the remote terminal; or, the CLEC must be able to access the loop digitally at the central office end of a UDLC so that the GR303 protocol of the CLEC switch will govern the provisioned loop. In either case, a digital cross-connect must be mandated as the standard hand-off, together with a fully functional GR303 signaling arrangement, to ensure parity quality of service for the loop.

Therefore, Sage recommends the establishment of a pre-engineering process for loops served by IDLC, as well as line-sharing and line-splitting arrangements, that accommodate the configuration outlined above while allowing the migration to take place at intervals that are at parity with UNE-P (and retail) and that would ensure that

the UNE-L performs at parity with the DLC loop previously used by SBC to provide retail service to the customer. This parity performance should include the same dial-up Internet speeds that are achievable through the ILEC IDLC arrangement for UNE-P customers of a CLEC, or for the ILEC's own customers. Any lack of parity, such as that which will result from the use of UDLC equipment as deployed by SBC for CLECs, should result in the Commission's rejection of SBC's proposal.

Finally, placing an IDLC-configured loop in a 'jeopardy' status causes unnecessary delays and harms end-user customers. Sage proposes that, instead of using jeopardy notifications, SBC institute a pre-engineering 'check' of all hot-cut requests before it executes the hot cut. SBC should include this pre-engineering check in the total provisioning interval guaranteed in interconnection agreements and monitored through performance measurements.

5. Develop clear and accurate loop and other OSS data that can be updated on a 'real-time' basis

CLECs need to receive clear and accurate loop and other OSS data from SBC's databases. If SBC's databases are inaccurate, SBC will reject a CLEC's order as being "unclean," due to no fault of the CLEC.[3] While SBC and the CLEC sort out fault, the customer is harmed by a delay in their order.

6. Set batch cut rates at levels that provide CLECs with a meaningful opportunity to compete, giving equal weight to the incremental costs that CLECs incur. Sage respectfully proposes consideration of a rate applicable to all end users, similar to the LNP charge.

SBC's proposal outlines a "Defined Rate Structure for Daily, Defined, and Bulk Processes." Additional detail is needed on this critical issue, including the discounts

that will be available under the three options. As a general matter, CLECs should be able to migrate customers to UNE-L at rates that are at parity with the rates that CLECs pay to migrate customers to UNE-P. Otherwise, CLECs are unfairly impaired by a 'forced' transition to UNE-L. At the very least, SBC's rate structure should provide CLECs with a meaningful opportunity to compete for mass-market customers. Otherwise, SBC's markets will no longer be irreversibly open to competition, as required by Section 271 of the Act.

Further, Sage proposes consideration of a rate applicable to all end users, similar to the LNP charge. This approach is appropriate because SBC's proposed batch cut costs are costs that would apply to CLECs that were not foreseen by CLECs when they developed their business plans. At the very least, the incremental cost to the ILEC and CLEC should be reimbursed.

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3 As CLECs have shown in the various DSL and line sharing dockets, SBC's loop databases have historically had problems with accuracy and completeness.

7. Develop details on how to rectify problems

SBC's proposal does not contain any discussion on how to rectify UNE-L problems that will likely occur in a batch cut environment. For example, how will SBC and the CLEC remedy unsuccessful cuts and in what time period? How will 911 routing be verified? Will the proliferation of new switches exhaust 911 selective routers since facilities-based CLECs need to establish trunks to the selective routers? How will the parties address LNP issues if a cut is unsuccessful? What are the procedures to return end users to their "original technology" (e.g., IDLC) if the end user complains about inferior service? What commitment is there to restore an affected end user's service? How will the quality of transport facilities be monitored and remedied? In what manner and under what standards will pre- and post-testing of the UNE loop proceed? How will such testing results be documented? How will large numbers of jeopardy notifications regarding hot cut orders be resolved? How will SBC prioritize the restoration of outages? As a matter of public policy, what is an acceptable "minimum" duration for an outage? What standards should the parties implement to ensure network security? Sage recommends developing procedures that address these customer-impacting issues.

8. Place a priority on avoiding, preventing, and remedying customer outages.

As paragraphs 465-467 of the *Triennial Review Order* require, migrations for mass-market customers must be orderly, seamless, and trouble free. "Competition is meant to benefit consumers, and not create obstacles for them."[4] Also, in today's

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[4] *Triennial Review Order*, para.467.

environment, it is important for public safety and the safety of customers for the customers to have continuous access to the telephone system.

As the FCC recognized in paragraph 465 of the *Triennial Review Order*, "[t]he record contains evidence that hot cuts frequently lead to provisioning delays and service outages." Accordingly, the Commission will need to decide what level of service outages, if any, are acceptable for California customers.

9. Include the provisioning of enhanced extended links ("EELs"), within statutorily required periods, to allow access to a loop with switching provided from a distant central office.

CLECs should be able to order EELs in a simple and reliable manner in order to transport the UNE-L to the CLECs' switches. ILECs should implement OSS and provisioning systems for EELs that provide CLECs with a reasonable opportunity to compete for mass market customers using UNE-L. Sage is unaware of any hot cut process utilizing EELs as a substitute for collocated UNE loops. At best, Sage believes this to be a two-step process. The first step is to provision the EEL. The second step is to implement the multi-step hot-cut process. ILECs will need to prove, through performance data at mass market volumes, that they can provision EELs at intervals that are at parity with the UNE-P, and the ILECs' retail, provisioning intervals.

10. Include CLEC to CLEC migrations in the process.

As required by paragraph 478 of the *Triennial Review Order*, CLEC-to-CLEC migrations must be included in the batch hot cut process.

11. Give special consideration and attention to all database issues.

Automatic location information ("ALI"), customer name ("CNAM"), 911, and line information database ("LIDB") databases must be updated on a real-time basis immediately after conversion.

12. Ensure no degradation in the capabilities of the loop after migration, including voice quality, data transmission speeds, and video quality.

As competition has allowed companies to bundle local and long distance services, these services are becoming commodities. Companies need to provide additional services, including access to the Internet, to remain competitive. Most customers still access the Internet through dial-up. Therefore, any degradation in data transmission speeds caused by loop migrations places CLECs at a distinct competitive disadvantage.

13. Clarify how various parties' orders will be prioritized.

SBC should treat CLECs' migration orders at parity with its own migration (*i.e.*, "winback") orders. Sage respectfully requests clarification of SBC's procedures to demonstrate that carriers' orders will be handled in a nondiscriminatory manner.

14. Document process flow changes anticipated to result from the system enhancements that SBC indicated would occur by December 13, 2003.

SBC should provide an updated detailed explanation of any changes, as well as restating all steps and the process flow, which would include all the additional items aforementioned.

15. Further define remedial steps available to CLECs when orders either reject or result in jeopardy notices.

SBC should identify all process steps at which a reject or jeopardy condition can occur. SBC should also identify the specific point in the process, including the interval at which it could occur, with a detailed explanation of the process steps and possible impacts to the end user.

16. Clarify what occurrences would require an order to receive manual intervention.

SBC should clearly define how, what, when and where, in any of its hot-cut processes, manual intervention, or a planned mechanized flow-through failure, would occur. This will provide some predictability to CLECs. Upon receipt of this information, the parties may be able to develop "work-arounds" that will blunt the impact of the anticipated failures on end users.

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In summary, SBC's proposal is, at this point, barely the skeleton of a "batch" hot-cut proposal that would satisfy the requirements of both the *TRO* and the Act. The Commission should assiduously pursue SBC resolution of each of the issues identified above – and of those identified by other carriers as a result of this request for comments. The touchstone of the Commission's approach must be the provision of a

conversion experience that end-user customers cannot distinguish from the service they receive from their current carrier.

Respectfully submitted,

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